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*Committee on Employment and Social Affairs  
The Chairwoman*

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ES/sg  
D(2010)41849

M. Alain Lamassoure  
President of the Committee on budgets  
ASP 13E158

**Subject: Opinion on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the case EGF/2009/015 DK/Danfoss Group (COM(2010)416 final)**

Dear Mr Lamassoure,

The Committee on Employment and Social Affairs (EMPL) as well as its Working Group on the EGF examined the mobilisation of the EGF for the case EGF/2009/015 DK/Danfoss Group and adopted the following opinion.

The EMPL committee and the Working Group on the EGF are in favour of the mobilisation of the Fund concerning this request. In this respect, the EMPL committee presents some remarks without, however, putting into question the transfer of the payments.

The deliberations of the EMPL committee are based on the following considerations:

- A) Whereas this application included initially EGF/2009/031 DK/Linak under the heading DK/Syddanmark covering two companies (Danfoss and Linak) active in the mechatronics industry but in two different sectors according to NACE rev 2; whereas the EGF regulation requests cases falling under eligibility point 2b to be limited to one sector, this application had, out of formal reasons, to be split into two cases. Whereas this has led to a delay in the procedure as the Danish authorities needed to provide additional information on the workers affected in each of the two cases and the respective budgets for the measures provided in each. Whereas one can wonder whether this formal split serves the efficiency of the measures put in place.

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- B) Whereas the criteria for the mobilisation of the EGF in accordance with Article 2a of the EGF regulation of 500 redundancies in a single enterprise and its downstream producers within a period of 4 months has been fulfilled; whereas the application does not specify in which period before the reference period the additional 855 redundancies that are eligible for inclusion in this application according Article 3a(b) of the EGF-regulation occurred.
- C) Whereas the redundancies are the result of the globalisation, hitting in the first place the low skilled workers, as well as of the financial and economic crisis causing a steep decline of demand for mechanical and electronic machinery resulting in a reduction of production of over 25% between 2008 Q4 and 2009 Q3 (Eurostat).
- D) Whereas, the crisis had considerable impact on the local job market of the municipality of Soderborg as unemployment climbed by more than 300% during the first 9 months of 2009.
- E) Whereas this Danish region is especially characterised by a relatively high average age, and demographic forecasts suggest a decline in population over the next ten years - without considering the effects of the sudden economic downturn.
- F) Whereas about 75% of the dismissed workers have no or only basic education.
- G) Whereas women and men are more or less equally concerned by the dismissals.

Therefore, the Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to integrate the following suggestions in its motion for a resolution concerning the Danish application:

1. Agrees with the Commission that the conditions for a financial contribution under the EGF regulation are met.
2. Welcomes the approach to address the specific needs of each worker concerned by offering different measures under the three pillars of education and training, employment incentives and incentives for business and start-ups.
3. Underlines, however, that in times of crisis, periods of unemployment of unskilled workers can best be used for training providing skills for future oriented and sustainable jobs; asks therefore for more clarity on whether the workers directed to the employment and business start-ups incentives will not be excluded from the possibility for further skills development under the education and training pillar.
4. Welcomes in this respect the support measures for older persons who wish to change career including guidance and mobility support.
5. Welcomes also the on-going advice and mentoring for entrepreneurs and asks the Commission to provide an evaluation of this kind of measures in its annual report.

6. Expresses its interest for the measures for financial support to persons starting up business in growth industries and would like to hear more about in which way, to which amount and to whom interest-only loans should be paid back.
7. Welcomes the new paragraph regarding the compliance of the measures and their implementation with Article 7 of the EGF regulation that ensures equal treatment between women and men and non-discrimination.
8. Welcomes that the Commission proposes sources of payment appropriations other than unused funds of the ESF in accordance with frequent requests of the European Parliament.

Yours sincerely,

Pervenche Berès